



**Department of Energy**  
Western Area Power Administration  
Sierra Nevada Customer Service Region  
114 Parkshore Drive  
Folsom, California 95630-4710

SEP 16 1999

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**Dear Central Valley Project Preference Customers:**

At Western's Customer meeting held on September 2, 1999, several participants expressed concern about potential effects of CALFED Bay-Delta Program actions on Western's hydropower resource. The CALFED Draft Programmatic Environmental Impact Statement/Environmental Impact Report (PEIS/EIR) is presently being circulated for comments, with a due date of September 23, 1999. In response to the concerns outlined at the Customer meeting, I have compiled a brief outline of the potential impacts to Western's customers (please see the enclosed).

The most significant impact is the potential loss of hydropower resources resulting from CALFED actions. The actions include ecosystem restoration projects, water storage projects, conveyance projects, and water transfer projects. While some projects may increase hydropower resources, the worst case net outcome results in a significant loss of hydropower resources, because it is assumed that project use will be available for all new pumping loads. This assumption significantly reduces power available to be sold to preference power customers.

Because specific projects are not identified, it is impossible to determine the reality of the loss or gain in resource, but can only be generalized. It is our belief that the potential for loss far outweighs any gain from these projects. This will result in (potentially significant) rate increases for Western's customers. CALFED has not addressed what the impacts of increased rates will have to the power customers, the Ecosystem Restoration Fund, nor the ability of the Federal government to repay project debt.

We **STRONGLY** encourage all of you to express your concerns by commenting on the Draft EIS/EIR. Written comments are key to voicing concerns to the decision-makers and setting groundwork for change. In addition to providing written comments, I encourage you to take the opportunities to comment at the remaining CALFED public hearings on the PEIS/EIR to be held beginning at 6 p.m. at the following dates and locations:

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- Tuesday, September 21, Doubletree Hotel, Sierra Room, 1830 Hilltop Drive, Redding
- Wednesday, September 22, Convention Center, Room 203, 1030 15<sup>th</sup> Street, Sacramento.

Western will also host a discussion group on CALFED and other Central Valley Project Environmental issues on Monday, September 20 at 10:00 am in the Shasta Conference room at our Folsom facility. Dial (916) 353-4416 and ask the receptionist to connect you to the Shasta conference room if you would prefer to connect by conference call.

If I can be of further assistance, please do not hesitate to contact me at (916) 353-4537, or Earl Nelson of my staff at (916) 353-4529.

Sincerely

*Nancy Werdel*

Nancy Werdel  
Environmental Manager

Enclosure